

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 EC BRU 08441 231122Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /055 W

----- 078626

R 230917Z SEP 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 9596

INFO ALL EC CAPITALS 1092

LIMITED OFFICIAL USE EC BRUSSELS 08441

E.O. 11652: N/A

TAGS: EAGR, EEC, ETRD

SUBJECT: EC WINE

REFS: A. EC BRUSSELS 08208

B. EC BRUSSELS 08292

1. FOLLOWING THE DELIBERATIONS OF THE SPECIAL AGRICULTURAL COMMITTEE ACTING AS THE WINE MANAGEMENT COMMITTEE, THE COMMISSION HAS INCREASED, EFFECTIVE SEPTEMBER 22, THE EXPORT SUBSIDIES ON FRENCH AND ITALIAN TYPE TABLE WINES FROM 0.19 TO 0.65 U.A. PER DEGREE HECTOLITRE EXCEPT REPEAT EXCEPT FOR DESTINATIONS TO THE WESTERN HEMISPHERE AND THOSE EIGHTEEN COUNTRIES WHICH HAVE AGREEMENTS WIT THE EC TO RESPECT THE REFERENCE PRICES. ALTHOUGH NO VALIDITY PERIOD IS SPECIFIED IN THE COMMISSION REGULATION, IT IS THE COMMISSION'S INTENTION TO MAINTAIN THIS HIGHER SUBSIDY LEVEL FOR THREE MONTHS. EXPORT SUBSIDIES ON GERMAN WHITE WINES REMAIN AT 3.5 U.A. /HECTOLITRE. THE COMMISSION HOPES THAT, AS A RESULT OF THE SUBSIDY INCREASE, THE EC WILL EXPAND ITS SALES BY AS MUCH AS 2.5 TO 3 MILLION HECTOLITRES. THE USSR IS VIEWED AS THE LARGEST POTENTIAL OUTLET FOR EC WINE. BASED ON THE FOREGOING DATA, THE INCREASED SUBSIDY WILL COST BETWEEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 08441 231122Z

13 TO 15 MILLION U.A. WEST GERMANY WAS THE ONLY MEMBER STATE TO VOTE AGAINST THE SUBSIDY INCREASE PROPOSAL.

2. THE OTHER MEASURE DISCUSSED IN DETAIL AT THE WINE MANAGEMENT COMMITTEE MEETING WAS THE COMMISSION PROPOSAL THAT GERMANY REMOVE THE MONETARY COMPENSATORY AMOUNTS (IMPORT LEVIES) IT IMPOSES ON FRENCH AND ITALIAN WINE. THIS AGAIN MET WITH STRONG GERMAN OPPOSITION. THE PROPOSAL IS BEING HANDLED BY WRITTEN PROCEDURE TODAY AND THE GERMANS ARE NOT EXPECTED TO CHANGE THEIR NEGATIVE STANCE. IF THEY VOTE NO, IT WILL THEN BE UP TO THE COMMISSION TO DECIDE WHETHER TO GO AHEAD ANY WAY TO SUSPEND THE MONETARY COMPENSATORY AMOUNT (AS IT DID ON THE EXPORT SUBSIDY INCREASE). THE OTHER MEMBER STATES ARE MORE OR LESS ON THE SIDELINES ON THIS MATTER WATCHING GERMANY AND THE COMMISSION. THE UK (WITH AN EYE TO ITS GREEN POUND) BELIEVES THAT MONETARY COMPENSATORY AMOUNTS SHOULD BE A MATTER FOR THE MEMBER STATES AND WOULD NOT WANT TO SEE THE COMMISSION OVERRIDE GERMANY. ALSO, THE COMMISSION MUST RECKON THAT ANY DECISION IT TAKES NOW VIS-A-VIS GERMANY WILL AFFECT THE PROSPECTS FOR A COMPROMISE PACKAGE TO DEAL WITH THE LONG -TERM PROBLEMS IN THE WINE SECTOR, NOT TO MENTION THE LARGER DISCUSSIONS AHEAD ON THE COMMUNITY BUDGET.

3. THE NON-WINE PRODUCING COUNTRIES DID NOT RESPOND TO THE COMMISSION'S APPEAL TO THEM TO REDUCE THEIR EXCISE DUTIES ON COMMUNITY WINE.

4. IN THE MEANTIME, THE FRENCH ARE MAINTAINING THEIR TAX ON IMPORTS OF ITALIAN WINE, BUYING TIME WHILE THE MATTER GOES TO COURT. ACCORDING TO A UK PERMREP SOURCE) EVEN IF THE EUROPEAN COURT OF JUSTICE FINDS THE FRENCH TAX INCONSISTENT WITH THE ROME TREATY AND ORDERS THE FRENCH TO SUSPEND THE TAX AND COMPENSATE IMPORTERS, THE FRENCH WILL HAVE FULFILLED THEIR OBJECTIVE OF REDUCING ITALIAN IMPORTS.
GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WINES, EXPORT SUBSIDIES, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU08441
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750329-0499
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750923/aaaaaubj.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 8208
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2003 by BoyleJA>; APPROVED <22 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC WINE
TAGS: EAGR, ETRD, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006